

01220

1989/08/16

EXCISE



Department c

135

CONFIDENTIAL

AN: D890705-0733

CONFIDENTIAL

PAGE 01 HONG K 11955 01 OF 02 160727Z
ACTION H-03

INFO LOG-00 ADS-00 SS-00 SSO-00 EAP-00 DS-01 /004 W
-----266064 160815Z /24
O 160657Z AUG 89
FM AMCONSUL HONG KONG
TO SECSTATE WASHDC IMMEDIATE 0367
INFO AMCONSUL SHANGHAI

C O N F I D E N T I A L SECTION 01 OF 02 HONG KONG 11955

STATE-H PLEASE PASS SENATOR RUDMAN'S OFFICE

FOLLOWING TEL SENT ACTION HONG KONG AUG 16
REPEATED FOR YOUR ACTION/INFO. QUOTE

C O N F I D E N T I A L SECTION 01 OF 02 SHANGHAI 06586

FOR SENATOR WARREN RUDMAN

E.O. 12356: DECL: OADR
TAGS: PREL, US, CH
SUBJECT: CODEL RUDMAN'S MEETINGS WITH SHANGHAI
OFFICIALS

REFS: A) SHANGHAI 6419^N B) BEIJING 22622[✓]
C) BEIJING 22551[✓]

1. CONFIDENTIAL - ENTIRE TEXT.

2. SUMMARY: SENATOR RUDMAN HELD CORDIAL
MEETINGS WITH SENIOR SHANGHAI LEADERS DURING
HIS WORKING VISIT HERE AUGUST 13-15. THE
SENATOR EXPLAINED IN FRANK TERMS THE DEPTH
OF AMERICA'S DISQUIET OVER EVENTS IN BEIJING
THIS PAST JUNE AND THE VIRTUAL CERTAINTY OF
CONGRESSIONAL ACTION TO IMPOSE SACTIONS
CONFIDENTIAL
CONFIDENTIAL

PAGE 02 HONG K 11955 01 OF 02 160727Z

SHOULD THE CHINESE GOVERNMENT BE PERCIEVED

DEPARTMENT OF STATE	IS/FPC/CDR	Date: 11/21/96
	NIR Cases Only: EU Citations	
() RELEASE	() DECLASSIFY	TS authority to: () CLASSIFY as () S or () DOWNGRADE TS to () S or
() EXCISE	() DECLASSIFY	
() DECLASSIFY	() DECLASSIFY	
() DECLASSIFY	() DECLASSIFY	
For Exemptions		PA Exemptions

132X64 CP 11 LP 16

CONFIDENTIAL

AS ESCALATING POLITICAL REPRISALS FOR MAY'S POLITICAL DEMONSTRATIONS. TO AN EXTRAORDINARY DEGREE, SEVERAL SHANGHAI OFFICIALS CHOSE NOT TO DEBATE THE ISSUE, ONE EXPRESSED "REGRET" FOR TIANAMEN. ALL STRESSED THE IMPORTANCE OF CONTINUED GOOD TIES WITH THE U.S. LI JIAHAO, MUNICIPAL PEOPLE'S CONGRESS VICE CHAIRMAN, ARGUED THAT THE FAST GROWTH POLICY PUSHED BY ZHAO ZIYANG AND HU YAOBANG HAD LED TO ECONOMIC DISLOCATIONS, CORRUPTION, AND DISCONTENT. VICE MAYOR LIU ZHENYUAN AVOIDED POLITICS ALTOGETHER, FOCUSSED INSTEAD ON HIGH-TECH INDUSTRY AND OTHER ECONOMIC TOPICS. WE JUDGE THE SENATOR'S PRESENTATION MADE A STRONG IMPRESSION ON HIS SHANGHAI HOSTS, WHO CLEARLY FOUND IT BITTER MEDICINE TO SWALLOW. END SUMMARY.

3. SENATOR WARREN RUDMEN MET WITH SHANGHAI VICE MAYOR LIU SHENYUAN, MUNICIPAL PEOPLE'S CONGRESS VICE CHAIRMAN AND BUDGET EXPERT LI JIAHAO, AND CHAIRMAN OF SHANGHAI'S CHINESE INSTITUTE OF FOREIGN RELATIONS SHI QI DURING HIS AUGUST 13-15 VISIT TO SHANGHAI. HE ALSO ATTENDED A CONSULATE BRIEFING, SPOKE TO THE AMERICAN CHAMBER OF COMMERCE AND HELD A WORKING LUNCH WITH AMERICAN STUDIES EXPERTS FROM SHANGHAI INSTITUTES (SEPTEL).


4. SENATOR RUDMAN'S OFFICIAL MEETING WERE CORDIAL, BUT THE DISCUSSION OF THE ACTIONS OF BOTH THE CHINESE GOVERNMENT AND THE AMERICAN CONGRESS WERE OFTEN FRANK. THE
CONFIDENTIAL
CONFIDENTIAL

PAGE 03 HONG K 11955 01 OF 02 160727Z

SENATOR EXPLAINED THE BACKGROUND OF RECENT CONGRESSIONAL ACTIONS IN REGARD TO CHINA AND MADE VERY CLEAR HIS JUDGEMENT THAT STRINGENT ECONOMIC SANCTIONS WOULD BE VIRTUALLY INEVITABLE SHOULD THE CHINESE GOVERNMENT FURTHER REPRESS CHINESE STUDENTS. HE EDUCATED HIS INTERLOCUTORS ON AMERICAN VALUES, ON THE LINK BETWEEN THOSE VALUES AND THE POPULAR AMERICAN REACTION TO TIANAMEN AND SUBSEQUENT EVENTS, AND ON THE CLOSE

CONFIDENTIAL
RELATIONSHIP BETWEEN THIS REACTION AND
THE PROBABLE CONGRESSIONAL RESPONSE IN THE
AREA OF FOREIGN POLICY.

5. 

 6-1
CONFIDENTIAL
CONFIDENTIAL

PAGE 04

HONG K 11955 01 OF 02 160727Z

 ON ECON

CONFIDENTIAL
CONFIDENTIAL


PAGE 01 HONG K 11955 02 OF 02 160738Z
ACTION H-03

INFO LOG-00 ADS-00 SS-00 SSU-00 EAP-00 DS-01 /00
-----266323 160815Z /24


O 160657Z AUG 89
FM AMCONSUL HONG KONG
TO SECSTATE WASHDC IMMEDIATE 0368
INFO AMCONSUL SHANGHAI

C O N F I D E N T I A L SECTION 02 OF 02 HONG KONG 11955
STATE-H PLEASE PASS SENATOR RUDMAN'S OFFICE

C O N F I D E N T I A L SECTION 02 OF 02 SHANGHAI 06586

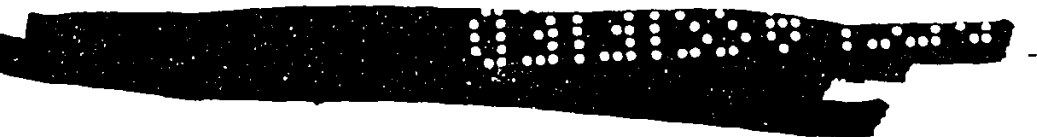


7. PRODDER BY THE SENATOR IN REGARD TO FUTURE
TREATMENT OF STUDENTS AND OTHERS INVOLVED IN THE
DEMONSTRATION.



CONFIDENTIAL
CONFIDENTIAL

PAGE 02 HONG K 11955 02 OF 02 160738Z



CONFIDENTIAL

8. VICE MAYOR LIU ZHENYUAN, A MICRO-ELECTRONICS EXPERT TURNED MUNICIPAL OFFICIAL, LISTENED INTENTLY TO THE SENATOR'S ARGUMENTS, BUT QUICKLY DIVERTED THE DISCUSSION INTO A LIVELY, FREE-WHEELING EXCHANGE ON THE RELATIVE MERITS OF CAPITALISM VERSUS CENTRAL PLANNING. AFTER AN ENTHUSIASTIC RECITATION OF HIS CONTACTS WITH AMERICAN HIGH-TECH EXPERTS, LIU TOLD A STORY EXPRESSING HIS CONTEMPT FOR SOVIET-STYLE ECONOMICS. LIU, WHO STUDIED IN THE SOVIET UNION FROM 1956 TO 1960, BUT WHO HAS NEVER "FOUND THE TIME" TO PROPERLY REVISIT THE SOVIET UNION, RECALLED RECEIVING A CHEAP, POORLY-MADE PLASTIC MOMENTO OF A VISIT TO A SOVIET RESEARCH INSTITUTE ALMOST THIRTY YEARS AGO. HE SAID HE RECENTLY RECEIVED A MOMENTO FROM THE SAME INSTITUTE AND WAS SHOCKED TO FIND IT WAS A REMARKABLY SIMILAR PIECE OF JUNK. LIU SAID HE DISPLAYS THE TWO ITEMS SIDE BY SIDE AS TESTIMONY TO THE SOVIETS' FAILURE TO IMPROVE LIGHT INDUSTRY OVER THE PAST DECADES.

9. SHI QI, IN HIS INFORMAL DISCUSSIONS OVER THE COURSE OF THE AFTERNOON WITH THE SENATOR,




61

CONFIDENTIAL
CONFIDENTIAL

PAGE 03

HONG K 11955 02 OF 02 160738Z



10. PLEASE PASS TO SENATOR RUDMAN FOR CLEARANCE.
WARDLAW UNQUOTE ANDERSON